

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 126th DSB Product Committee Meeting

Date: 29-Oct-2019 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

Chairs: Joseph Berardo, Intercontinental Exchange
Harry McAllister, BNP Paribas

Attendees: **Voting Members**

Jourik De Lange, Smartstream RDU
Uwe Hillnhuetter, Tradeweb
Adam Lister, Bloomberg
Rene Muller, Hamburg Commercial Bank AG
Jonah Platt, Citadel
Gregg Rapaport, DTCC
Michael Sandro Bauch, Allianz Global Investors

Non-Voting Members

David Broadway, The IA
Karel Engelen, ISDA
Olaf Kurpiers, BaFin
Fiona Willis, GFMA

Observers

Eiichiro Fukase, JSDA
Emma Kalliomaki, DSB Board

Designated DSB Officer

Malavika Solanki, DSB

DSB Secretariat /

Alternate DDOs

Simon Wiltshire, DSB
Nathan Dagg, DSB

Apologies: Michael Burg, State Street Financial
Tia Ellerman, Citigroup
Ben Scofield, Refinitiv
Jay Shotton, JP Morgan
Kirston Winters, MarkitSERV
Vincent Dessard, EFAMA

Absences: Maros Oberman, 42 Financial Services
Jim Northey, FIX TC

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

- Presented
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3 Review Minutes from Previous Meeting

- No comments were received and so the minutes for 01-Oct-2019 and 15-Oct-2019 are considered final.
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4 Open Actions

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- **Action 308:** The setting of Term of Contract for products with differing Effective Dates on the Fixed and Floating legs is to be included on the agenda for the next PC meeting, following feedback from ESMA. **Open.**
 - **Action 334:** The DSB to contact ESMA about the impact of FX Swap Delivery Type on mapping existing ISIN submissions and users post implementation change. **Open**
 - **Action 339:** The DSB will proceed with the development and deployment of a Rates.Option.Inflation Cap Floor template. **Analysis has been initiated. Remains Open.**
 - **Action 343:** DSB to provide a breakdown of pre- and post-implementation metrics for Term of Contract / Field 41 ISIN creation. **Closed.**
 - **Action 344:** ISDA to set up a conference call to discuss the treatment of the Effective Date in the newly deployed Term of Contract / Field 41 functionality. **Open.**
 - **Action 345:** DSB to send out a summary of the UPI and ISIN Commodity classifications to all members of the PC. **Closed.**
 - **Action 346:** DSB to send out an ISO website link to the CFI 2019 document to all members of the PC. **Closed.**
 - **Action 347:** DSB to send an invite for participation in a reconvened Commodities Taskforce to all DSB Users and PC Members. **Closed.**
 - **Action 348:** DSB to send the revised text for FX Forward (Settlement Date) to all PC members for approval before publication on the DSB website. **Closed.**
 - **Action 349:** DSB to send the proposed text for FX Forward (Expiry Date) to all PC members for approval before publication on the DSB website. **Closed.**
 - **Action 350:** DSB to send the proposed text for FRA (Expiry Date) to all PC members for approval before publication on the DSB website. **Closed.**
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5 Announcements

UPI Announcement

- The DSB provided an update on the report concerning UPI governance arrangements that was recently released by the FSB.

FAQ Text

- The DSB confirmed that no objections had been received to the proposed FAQ text for FX Forward templates, FX Forward expiry dates and FRA Index expiry dates.
- **Action 351:** DSB to update the FAQ page on the DSB Website with the agreed text for FX Forward and FRA Index guidance.

Commodity Taskforce Invitation

- The DSB confirmed that the deadline for nominations for the above taskforce was now closed (as of COB 25th October 2019) and that a number of proposed members had been received.
- **Action 352:** DSB to send an invite for the Commodities Taskforce to all proposed participants.

New PC Member

- Gregg Rapaport (DTCC) was introduced to the PC as new voting member.
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6 Field 41: Metrics

- Metrics for the Field 41 implementation were presented to the PC.
 - The PC agreed that the DSB would collate analysis of the Field 41 data from FIRDS as part of its ongoing quarterly analysis activities and present them at a subsequent PC meeting (in Q1 2020).
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7 €STR: Metrics

- Metrics for the €STR Reference Rate implementation were presented to the PC.
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- It was noted that the industry was currently discussing the prospective introduction of a number of €STR-related Term Rates but discussions were still nascent and implementation/adoption dates could not be confirmed.
 - **Action 353:** DSB to review the 13 recorded €STR Fixed/Float IRS products and report any distinctive characteristics to the PC to allow the PC to determine if further industry guidance would be required to facilitate consistent use of the DSB Product Templates.
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8 FX Spot / Forward Swap: CFI Code

- The DSB provided background information on the issue of Spot/Forward FX Swap CFI derivation and the PC reviewed the current FAQ guidelines from the DSB website.
 - The PC agreed with the view expressed in the FAQ guidelines that an FX Spot instrument is explicitly out of scope for FX Swaps and that where the near leg is a Spot transaction, it is to be considered as a special case of a forward. However, the PC considered that the guidelines required clarification – with focus on the “tenor of the spot”.
 - **Action 354:** DSB to compose revised guidelines for the treatment of Spot/Forward FX Swaps (with the assistance of interested members of the PC) and present it to the PC for approval.
 - The PC also discussed FX Swap creation activity within the DSB to understand how this may correspond with industry expectation.
 - **Action 355:** DSB to analyse FX Swap ISIN creation trends to determine whether and how user activity may have evolved alongside updates to regulatory guidance
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9 Non-Standard FX Forward / Option : Settlement Ccy

- The DSB provided background information on the issue of Settlement Currency input values for Non-Standard FX Forwards and Options. Having examined the ISO definitions associated with XXX as a Settlement Currency, the PC sought to understand the rationale for users submitting XXX as a settlement currency in the case of FX instruments.
 - **Action 356:** DSB to send an email to PC members and DSB users responsible for the creation of Non-Standard FX Forwards and Options with XXX as a Settlement Currency requesting information on the circumstances under which a Settlement Currency of “XXX” had been used.
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11 Consultation Paper : Review of BAU Items 2020

- At this point the meeting was not quorate: item deferred to next PC.
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12 Product Release Status

- At this point the meeting was not quorate: item deferred to next PC.
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11 AOB

- At this point the meeting was not quorate.
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 12th November 2019

Summary of Open Actions

No	Actions	Owner	Target Date
308	The setting of Term of Contract for products with differing Effective Dates on the Fixed and Floating legs is to be included on the agenda for the next PC meeting.	DSB Sec	14-May-19
334	The DSB to contact ESMA about the impact of FX Swap Delivery Type on mapping existing ISIN submissions and users post implementation change.	DSB Sec	23-Jul-19
339	The DSB will proceed with the development and deployment of a Rates.Option.Inflation Cap Floor template.	DSB Sec	29-Oct-19
344	ISDA to set up a conference call to discuss the treatment of the Effective Date in the newly deployed Term of Contract / Field 41 functionality.	ISDA	15-Oct-19
351	DSB to update the FAQ page on the DSB Website with the agreed text for FX Forward and FRA Index guidance.	DSB Sec	12-Nov-19
352	DSB to send an invite for the Commodities Taskforce to all proposed participants.	DSB Sec	12-Nov-19
353	DSB to review the 13 recorded €STR Fixed/Float IRS products and report any distinctive characteristics to the PC to allow the PC to determine if further industry guidance would be required to facilitate consistent use of the DSB Product Templates.	DSB Sec	12-Nov-19
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356	DSB to send an email to PC members and DSB users responsible for the creation of Non-Standard FX Forwards and Options with XXX as a Settlement Currency requesting information on the circumstances under which a Settlement Currency of "XXX" had been used.	DSB Sec	12-Nov-19